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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 3, 2013

David Taylor
Miracle Rock Mining and Research
400 South 200 East
P. O. Box 76
Emery, Utah 84522

Subject: Initial Review of Reclamation Surety Calculations, Miracle Rock Mining and Research, The Rockland Mine, M/015/0040, Emery County, Utah

Dear Mr. Taylor:

The Division of Oil, Gas and Mining has reviewed the reclamation cost estimate for the referenced Notice of Intention to Commence Large Mining Operations which was received via email from Dennis Oakley on August 14, 2013. The attached comments will need to be addressed before tentative approval may be granted.

The cover letter with the cost estimate contains the following statements:

The Division found that reclamation cost estimates did not include demolition costs for structures such as the mine buildings, fuel tanks, or explosive magazines. The permittee argues that these facilities are mobile and do not require demolition cost to remove.

The Division has determined based on past experiences that equipment removal costs, even mobile equipment, are needed in the reclamation cost estimate. In instances where the Division has had to complete reclamation, equipment left on site is commonly in such poor condition that there is no salvage value. The cost of taking this equipment to a recycler may be greater than the scrap value.

For mobile equipment, the Division will only require transportation costs. Items made mostly of metal can be disposed of at a recycle center for no charge. A disposal cost is needed for non-metal equipment.

The cover letter with the August 14, 2013, submittal also includes this statement:

The MRP states that some highwalls will be blasted down at the time of reclamation. Blasting costs were not included in the bond estimate. In addition, the MRP also states that dump trucks shall be used during reclamation. No cost was included in the bond estimate for trucks. It is the permittee's intention to remove these items from the reclamation plan. Upon conditional approval of the new bond estimate, the permittee shall amend the plan remove these items from the reclamation activities.

Page 2 of 4
David Taylor
M015/0040
September 3, 2013

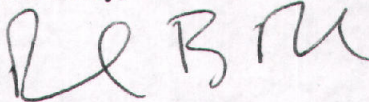
The reclamation cost estimated must be based on the approved plan. The Division cannot approve a reclamation cost estimate based on an unknown and unapproved plan. Please either amend the reclamation plan of include appropriate costs in the cost estimate.

During the review of the bond calculation, the Division found that several items in the NOI were out of date, and these are noted in the attached review. Many of them have to do with the disturbed area. The maps in the approved NOI show disturbed areas of either 5.82 acres or 6.84 areas. The area described in the bond calculations is 10.99 acres.

Please submit your response to this review by September 30, 2013.

Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have any questions with regard to the review. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB: whw: eb
Attachment: Review
cc: John Blake, SITLA, jblake@utah.gov
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**REVIEW OF NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

Miracle Rock Mining and Research

The Rockland Mine

M/015/0040

August 29, 2013

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Com ment #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n
1		The maps in the approved NOI are out of date and need to be replaced so that the Division can refer to updated maps for bond calculations. The maps in the approve NOI show disturbed areas of either 6.84 acres or 5.82. In information in the August 14, 2013, submittal shows a disturbed area of 10.99 acres.	whw	

R647-4-110 - Reclamation Plan

110.2 - Roads, highwalls, slopes, drainages, pits, etc., reclaimed

Com ment #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n
2	Page 3 approved reclamatio n plan	Please include a detailed plan of how the highwalls will be reclaimed. In the existing plan, highwall elimination requires dozers, trackhoes and dump trucks. The bond calculations in are based on a 100-foot push by a dozer.	whw	
3	Page 3 approved reclamatio n plan	Please state how highwalls will be reclaimed without blasting. The approved plan says, "At the completion of the backfilling of highwalls, the exposed vertical cliffs (i.e. remaining highwall not covered by backfill) will be drilled and shot."	whw	
4	Approved and proposed reclamatio n cost estimates	Please include calculations for the amount of material that will be required for final reclamation. The approved plan says 32,705 BCY of material will be moved with a dozer and 8,176 BCY with a track-hoe. In the proposed plan only 30,274 BCY of material will be moved with a dozer and 7,568 BCY of material with a track-hoe. Please explain how the acreage increased yet the amount of material to be moved decreased.	whw	

Page 4 of 4
David Taylor
M/015/0040
September 3, 2013

Com ment #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n
5	Page 3 approved reclamation plan	Please show how topsoil will be transported to the slopes. Page 3 of the approved reclamation plan says subsoil and topsoil will be placed on fill slopes. The reclamation cost estimate has a push distance of 100 feet which implies soil materials will be stockpiled every 200 feet.	whw	
6		Please show how the acid forming material will be handled during reclamation. What costs will be associated with special handling of the acid forming material?	whw	

R647-4-113 – Surety

Comm ent #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n
7		The approved plan includes access road removal. Please include 1) the ripping costs for the road, and 2) an estimate of the amount of material that will be placed on the road.	whw	
8		Please include as a line item the cost to seal the portals.	whw	